

RALEIGH-DURHAM AIRPORT AUTHORITY

MINUTES

December 18, 2003

Chairman Clancy presided. Present: Members Gibbs; Sanders; Teer; Toler; Weeks; Winston and Zaytoun. Also present: Airport Director Brantley; Deputy Director, Finance Business & Administration Gill; Deputy Director, Facilities Engineering & Maintenance Pittman; Major Capital Improvements Program Director Powell; Customer Service & Organizational Director Damiano; Parking Director Scialdone; Finance Director Barritt; Administration Director Umphrey; Senior Program Manager Quesenberry; Communications Manager Hamlin; Communications Specialist Dunton; Business Development Officer Hairston; Emergency Services Manager Thompson; Information Technology Manager Schiller; Maintenance Manager Fulp; Ground Transportation Manager Nye; Information Technology Specialist Casanova; Network Administrator King; Properties & Insurance Officer Reynolds; Program Manager Cayton; Senior Program Manager Edmondson; Customer Relations Supervisor Harleston; Environmental Manager Fischer; Purchasing Officer Thompson; Financial Analyst Golden; Parking Administration Manager Slayton; Executive Assistant Mitchell and Attorney Tatum.

Guests: Curt Fentress and Thom Walsh, Fentress Bradburn Associates; Charles McCloskey and Betty Barlow, Parsons; Chris Baysden, Triangle Business Journal; Bruce Siceloff, The News and Observer; and Mark Latu, AmeriSuites Hotels.

APPROVAL OF AGENDA – Airport Director Brantley requested an Executive Session at the conclusion of the meeting to discuss a property matter. There were no other changes to the agenda, and it was approved as submitted.

APPROVAL OF MINUTES – There were no changes to the minutes of the November 20, 2003 meeting or the December 5, 2003 teleconference meeting, and they were approved as submitted.

CHAIRMAN'S COMMENTS – Chairman Clancy commented that the Triangle ICON illumination and General Aviation Terminal dedication ceremonies the previous evening were very nice.

LAND & DEVELOPMENT COMMITTEE REPORT – Member Teer reported the Committee met on December 18, 2003 and discussed the following items:

1. Consideration of bids received November 25, 2003 for Glycol Tank Addition, a subproject of Bulk Fuel Farm Repairs, Soil Contamination Cleanup & Glycol Tank Addition, RDU #080469. Bids for an additional glycol tank were received on November 25, 2003. The existing glycol storage facilities, located at the bulk fuel farm, include two 20,000-gallon tanks that are used to store Type I glycol. Currently, each airline, as desired, maintains a small tank for Type IV glycol storage. The project includes installation of a common use, 20,000-gallon storage tank for Type IV glycol and all associated piping, pumps, controls and a new pumping island that will replace all individual airline tanks. The two existing glycol tanks will receive gauges that will be connected to a new inventory control system to be installed in the project. The Engineer's opinion of probable cost of the work was \$1,295,936. Staff received and opened five bids on November 25, 2003. The low bidder, Integrated Industrial Services (InServ), submitted an unusually low bid of \$624,580 that included zero DBE participation and no information regarding a good faith effort.

Staff contacted InServ regarding documentation of its good faith effort and received a written response that it had gotten into the bidding process late, had no experience with public bidding and DBE programs, and had nothing to add. Due to concerns about the responsiveness of InServ's bid, staff met with representatives of InServ on December 9, 2003 to discuss InServ's understanding and interpretation of the bid documents, including project plans, their assessment of the thoroughness of InServ's bid, and InServ's ability to perform the type of work required. Based on the statements made by InServ representatives, staff remained concerned about the adequacy of InServ's bid, and its ability to perform the work. Counsel offered an opinion that there appeared to be just cause to reject InServ's bid as non-responsive given InServ's stated uncertainty about the sufficiency of its bid, lack of familiarity with public projects, and lack of experience working on projects that required construction around ongoing Owner operations. On December 10, staff received a request from InServ to be allowed to withdraw its bid without loss of bid bond. As a result of the low bidder requesting to be released from the bidding process, Staff reviewed the submission of the second low bidder in order to complete verification of that bid and determine the degree of MBE good faith effort. On December 16, staff interviewed representatives of Stover Mechanical and found its bid to be sound and the company proficient in the work elements required under the contract. However, its MBE participation was poor. Upon review of Stover's good faith effort, it was found to be unacceptable. However, staff is willing to accept the bid conditioned upon Stover's willingness to put forth more consideration of and effort toward meeting the stated goal for the project. Stover has stated verbally and in writing that it will meet this condition. The current budget amount of \$1,720,000 will cover all engineering and construction costs. The Committee recommended granting InServ's request to withdraw its bid without penalty, and further recommended acceptance of the bid and award of a contract to Stover Mechanical in the amount of \$763,545, contingent upon receipt of Stover's letter stating its intention to put forth more consideration of and effort toward meeting the stated MBE goal for this project.

Member Teer made a motion, seconded by Member Weeks, to grant the low bidder's request to withdraw its bid without forfeiting its bid bond, and then to accept the bid of and award the contract for the Glycol Tank Addition to Stover Mechanical in the amount of \$763,545 subject to receipt of Stover's letter stating its intention to put forth more consideration of and effort toward meeting the stated MBE goal for this project. Adopted.

2. Presentation of design elements of Crosswinds Café to be developed in the General Aviation Terminal. Design elements of the proposed Crosswinds Café to be developed in the new General Aviation Terminal building were presented. The Authority previously entered into a Concession Agreement with JQ Enterprises, Inc. to develop a quick serve restaurant there. JQ Enterprises submitted development plans for Authority review and approval. Staff has reviewed and commented on the plans. The plans meet the requirements of the design standards. Without objection by the Authority, JQ Enterprises will complete construction documents for review and approval by staff. JQ Enterprises hopes to commence construction in January.

Member Teer made a motion, seconded by Member Zaytoun, to approve the design elements of Crosswinds Café to be developed in the General Aviation Terminal. Adopted.

OPERATIONS COMMITTEE REPORT – Member Weeks reported the Committee met on December 18, 2003 and discussed the following items:

1. Consideration of a recommendation for selection of a vendor to implement a Computerized Maintenance Management System (CMMS) under RDU #010469, Financial System Software Replacement, Additional Modules & Maintenance Management System Software. Deputy Director, Facilities Engineering & Maintenance Pittman reported on the staff recommendation on selection of a firm to provide services in connection with implementation and start-up of the Computerized Maintenance Management System (CMMS). The selected firm will provide implementation services for select modules of the software, custom report writing, and help desk/over-the-shoulder support. Authority staff will assist as necessary in loading all initial data and provide other necessary support to ensure a rapid and error free installation, implementation and start-up of the software. Authority staff will fully populate the system during, and upon the departure of, the consultant, having learned the system characteristics and functions during implementation. Notification of the Request for Proposals was sent to select firms with exceptional expertise in DataStream 7i. Two firms submitted proposals in response to the solicitation: Global PTI, Inc. and DataStream Systems, Inc. Both firms were interviewed on several occasions telephonically and in-person between March 2003 and December 11, 2003. According to the software manufacturer, there are no DBE firms qualified to implement the DataStream 7i software. During the interviews, both of the teams displayed ample capability to perform the work with sufficient relevant experience and resources to accomplish the type tasks that are anticipated. However, Global PTI, Inc. possessed greater experience in implementing the software in an airport environment, having recently completed the Dallas-Fort Worth International Airport installation. Based on review of the proposals, including responsiveness to the stated requirements, qualifications and experience of the proposed project manager and other key personnel, previous experience on similar projects, perception of and approach to the project, and results of the interviews, Global PTI, Inc., presents the team that most closely fits the needs of the anticipated work. The Committee recommended authorizing staff to commence contract negotiations with the selected firm. It is anticipated, and is highly probable, that the cost of implementation through start-up will be under \$125,000.

Member Weeks made a motion, seconded by Member Sanders, to authorize staff to commence contract negotiations with Global PTI, Inc. for Software Implementation Services for the Computerized Maintenance Management System. Adopted.

2. Consideration of purchasing a Pavement Sweeper under RDU #010029, Maintenance Vehicles & Equipment, using the "piggyback" method authorized by the N.C. General Statutes. In the approved FY 2003-04 Capital Budget, project #010029, Maintenance Vehicles & Equipment, includes a large pavement sweeper to replace one of the older sweepers. The budgeted amount for the sweeper is \$140,000.00. The Town of Cary recently completed a bid process to obtain the same large pavement sweeper. The low bidder, Public Works Equipment and Supply Inc., will honor the pricing extended to Cary for the same sweeper. The quoted price from Public Works and Supply Inc. is \$110,481. The North Carolina General Statutes allow government entities to take advantage of other entities' procurement efforts by using a method referred to as "piggybacking". This allows an entity other than the one obtaining quotes for an item to take advantage of the originating entity's bid. The governing board of the "piggybacking" entity is required to approve this method of procurement when used. The Committee recommended approval of this method to purchase an Elgin Crosswinds Series J Plus Regenerative Air Sweeper from Public Works Equipment and Supply Inc. at a price of \$110,481.

Member Weeks made a motion, seconded by Member Sanders, to approve the purchase of an Elgin Crosswinds Series J Plus Regenerative Air Sweeper from Public Works Equipment and Supply Inc. using the 'piggyback' method of procurement authorized by the North Carolina General Statutes at a price of \$110,481.
Adopted.

WAKE COUNTY LEASE AGREEMENT AMENDMENT – Properties & Insurance Officer Reynolds reported on the terms of Amendment No. 3 to the Lease Agreement with Wake County. The Lease Agreement covers a tract of land of approximately 148 acres that is used for a system of trails for mountain biking and general hiking purposes, which was incorporated by Lease Amendment No. 1. The property is located adjacent to Lake Crabtree Regional Park. The purpose of the Amendment is to extend the term of the agreement for five years from January 1, 2004 through December 31, 2008, which term may be cancelled by either party upon at least 45 days prior written notice. The previous term was January 1, 1999 through December 31, 2003. The Lease Agreement of March 5, 1985 and Lease Amendment No. 1 of February 3, 1994 remain unchanged. Staff recommended approval of Amendment No. 3 to the Lease Agreement with Wake County.

Member Winston made a motion, seconded by Member Zaytoun, to approve Amendment No. 3 to the Lease Agreement with Wake County for lease of certain Airport property located adjacent to Lake Crabtree Regional Park.

Adopted.

TERMINAL C PROJECT UPDATE - Major Capital Improvements Program Director Powell provided a PowerPoint presentation in which he reviewed findings concerning project alternatives discussed at the August 21, 2003 meeting. Curt Fentress, of Fentress Bradburn Architects then reviewed attributes he considered applicable to and discussed development of the architectural vision for the project. Thom Walsh of Fentress Bradburn and Charles McCloskey of Parsons reviewed certain design elements of the project. Staff and the project team will provide a further update at the January 15, 2004 meeting.

MEMBERS COMMENTS/REPORT – Member Teer said he was proud to have been a part of the Triangle ICON illumination and General Aviation Terminal building dedication the previous evening. Member Weeks commented that he had enjoyed his first year on the Authority and it had been very exciting. Member Winston wished everyone a Happy New Year. Member Toler commented that he had received very positive comments from customers regarding the ICON. Member Gibbs remarked that the year had been very exciting and he looked forward to next year. Member Sanders remarked that he had enjoyed working with the staff this year and also wished all a happy holiday. Member Zaytoun commented on the beauty of the ICON.

GENERAL COUNSEL'S REPORT – Attorney Tatum commented that a lot had been accomplished this year by the Authority. It is a privilege for him to work with the organization.

AIRPORT DIRECTOR'S REPORT –

- Enplaned passengers for November 2003 totaled 334,362 versus 323,578 for November 2002 for a 3.3% increase. Year-to-date 2003 enplaned passengers totaled 3,602,641 versus 3,899,236 for year-to-date 2002 for a 7.6% decrease.

- Deplaned passengers for November 2003 totaled 329,638 versus 319,352 for November 2002 for a 3.2% increase. Year-to-date 2003 deplaned passengers totaled 3,599,823 versus 3,894,516 for year-to-date 2002 for a 7.6% decrease.
- Enplaned air cargo for November 2003 totaled 6,425,018 pounds versus 8,205,574 pounds for November 2002 for a 21.7% decrease. Year-to-date 2003 enplaned air cargo totaled 82,391,116 versus 90,048,537 for year-to-date 2002 for an 8.5% decrease.
- Deplaned air cargo for November 2003 totaled 8,554,465 pounds versus 9,969,496 pounds for November 2002 for a 14.2% decrease. Year-to-date 2003 deplaned air cargo totaled 107,155,202 versus 113,105,431 for year-to-date 2002 for a 5.3% decrease.
- Weekday scheduled flight departures for November 2003 totaled 236 versus 215 for November 2002 for a 9.8% increase.
- Aircraft operations for November 2003 totaled 18,619 versus 19,097 for November 2002 for a 2.5% decrease. Year-to-date 2003 aircraft operations totaled 204,472 versus 223,436 for year-to-date 2002 for an 8.5% decrease.
- The number of vehicles exiting the terminal area public parking lots during November 2003 totaled 157,270 versus 146,590 for November 2002 for a 7.3% increase. The year-to-date 2003 number of vehicles exiting the terminal area public parking lots totaled 1,737,747 versus 1,787,791 for year-to-date 2002 for a 2.8% decrease.
- The number of taxicab trips taken during November 2003 totaled 12,594 versus 10,350 during November 2002 for a 21.7% increase. The year-to-date 2003 number of taxicab trips totaled 137,628 versus 125,056 for year-to-date 2002 for a 10.1% increase.
- Airline load factors for November were up 6 percentage points from last year, with the airlines filling over 70% of their capacity. November marked the lowest point of seat loss since January with approximately 5.8% fewer seats available.
- Airline seat reservations indicate that the peak holiday travel time will most likely be on Christmas Eve with approximately 15,000 passengers boarding flights that day. Holiday travel will continue through January 6, 2004.
- The Transportation Security Administration had to transfer 29 mobile screeners from RDU to Hawaii because of a staffing shortage. As a result, customers may see longer lines at RDU. All passengers going through the checkpoints are now required to have a boarding pass.
- Airport Director Brantley wished everyone a joyous Christmas holiday and a happy New Year.

Member Gibbs made a motion, seconded by Member Weeks, to go into Executive Session.

Member Gibbs made a motion, seconded by Member Winston, to return to Open Session.

ADJOURNMENT - There being no further business, Chairman Clancy adjourned the meeting.

Respectfully submitted,

Stephen K. Zaytoun, Secretary

CORRECT ATTEST:

David T. Clancy, Chairman